LANCASTER
INVESTMENT MANAGEMENT

Lancaster European Equity

February 2023

The fund's net return was 2.53% in February versus the SXXR at 1.88%. The portfolio continued its strong start to the year with many names performing well but no significant positive outliers of note. On the negative side, Deliveroo gave back its January gains as the street worried about top line growth in the food delivery sector. The credit given to Deliveroo for its leap forward in profitability revealed last month dissipated quickly. We are optimistic that Deliveroo's skew towards wealthier households will lead to better growth than expected in 2023. We await guidance from the company later in March. We continued to build a position in Novozymes during the month. Novozymes is in the process of acquiring Chr Hansen, a deal which would create a market-leading biosolutions powerhouse. The market initially reacted negatively to what is a very large transaction, offering new investors an attractive entry point. We are excited by both the financial and strategic merits of the deal; synergies will be high and a combined company will be able to offer new, differentiated solutions to its customers. We believe the new entity will be a high-returning franchise with the potential to deliver double-digits earnings growth in the coming years. We added three new names during the month, all investments we have owned previously in the last 1-2 years: Anglo American, Fortum and London Stock Exchange Group. As noted in the last quarterly letter, the volatility of the last few years has repeatedly provided us with opportunities to enter and exit investments in the more liquid companies we like, either partly or entirely.

Performance (net)

	Fund	STOXX*	MSCI*
Return on month	2.53%	1.88%	1.41%
YTD return	14.29%	8.74%	8.49%
1 year return	14.94%	4.42%	5.70%
3 year return	73.40%	31.32%	31.46%
5 year return	78.47%	37.65%	34.99%
10 year return	182.65%	106.65%	100.91%

Trailing CAGR (net)

	Fund	STOXX*	MSCI*
3 year	20.14%	9.51%	9.55%
5 year	12.28%	6.60%	6.18%
10 year	10.95%	7.53%	7.23%

Exposure

Cash	1.9%
Average market cap ($ millions)	16,937
Number of positions	35

Leverage

Gross method	2.0
Commitment method	1.0

Top 3 Positive Contributors

Constellium
BT
Airbus

Top 3 Negative Contributors

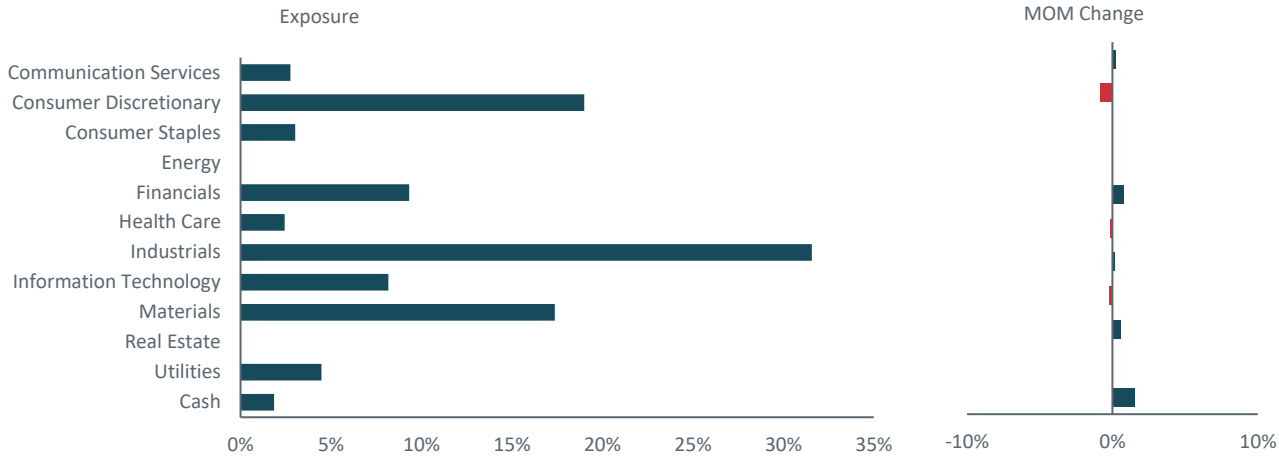
Deliveroo
Novozymes
ams-OSRAM

Top 5 Longs

Next	6.4%
Autoliv	4.4%
Husqvarna	3.9%
Ryanair	3.9%
Novozymes	3.8%
Total	**22.4%**

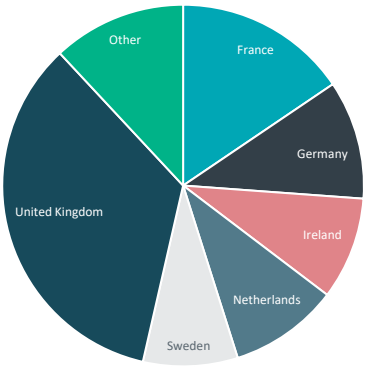
* STOXX Europe 600 Net Return (SXXR), MSCI Europe Net Return (NDDLE15). Fund performance quoted net of fees based on most invested share class.

Sector Exposure

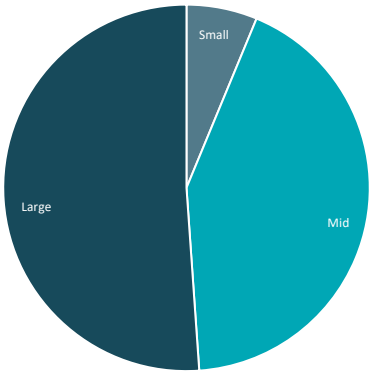


Source: Lancaster Investment Management

Country Exposure

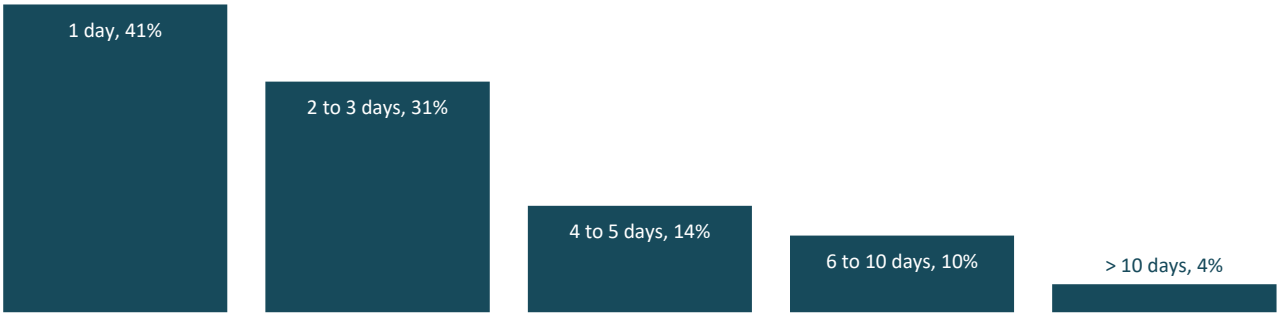


Market Cap



Source: Lancaster Investment Management

Liquidity

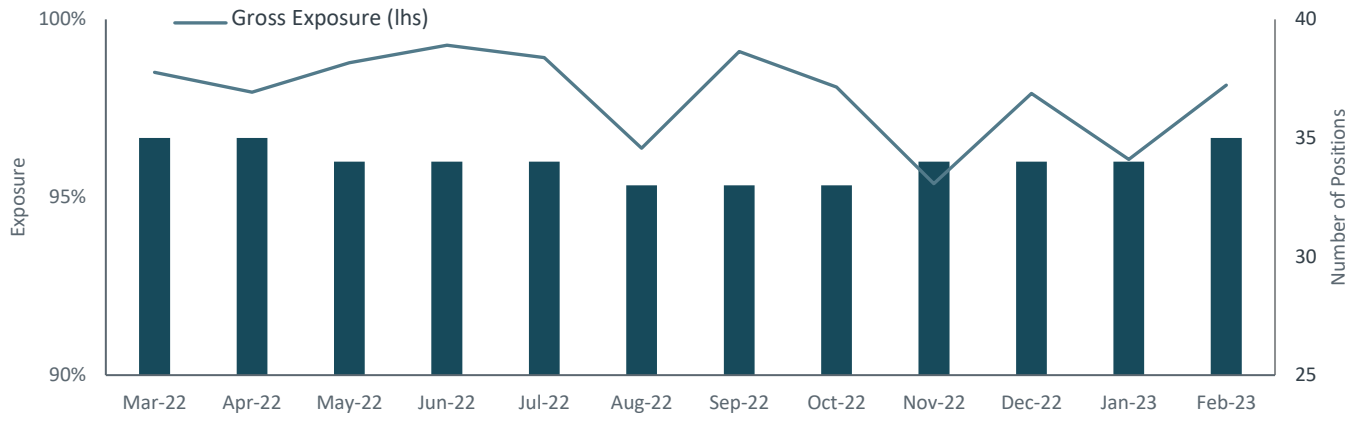


Source: Lancaster Investment Management, Bloomberg

Days to liquidate 100%: 25

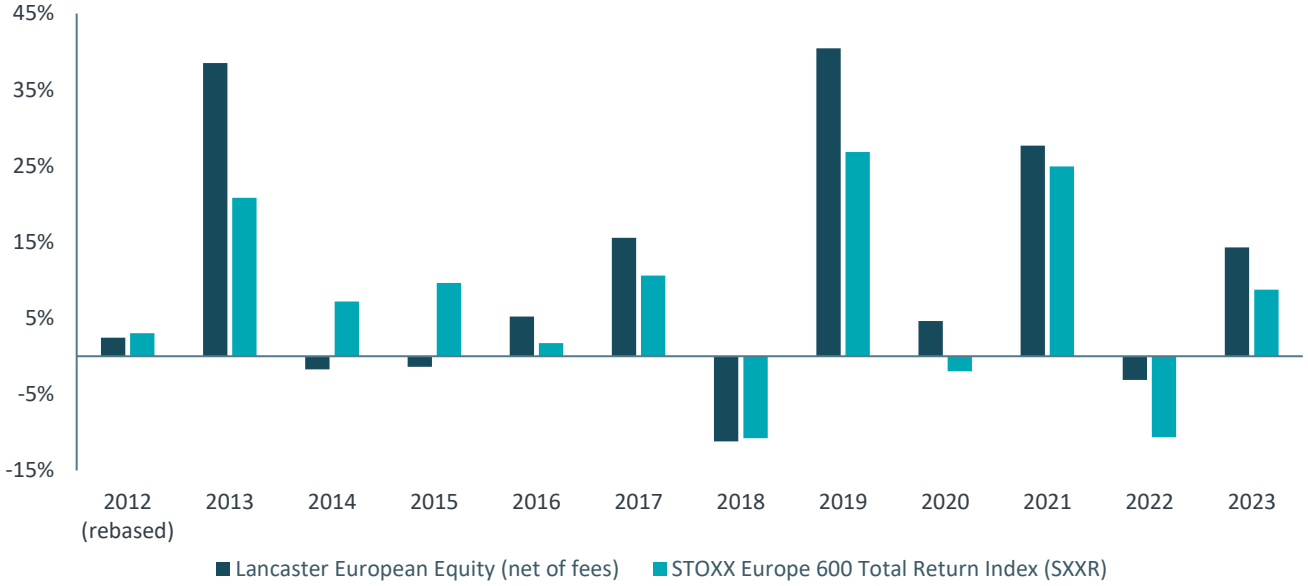
Graphs for illustrative purposes only

Portfolio Composition



Source: Lancaster Investment Management

Fund Performance (net)



Source: Lancaster Investment Management, Bloomberg

Historical Performance (net)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2023	11.47%	2.53%											**14.29%**

	YTD	2022	2021	2020	2019	2018	Inception
Lancaster European Equity	14.29%	-3.09%	27.65%	4.63%	40.45%	-11.16%	**208.63%**
STOXX Europe 600 Net Return (SXXR)	8.74%	-10.64%	24.91%	-1.99%	26.82%	-10.77%	**121.42%**
MSCI Europe Net Return (NDDLE15)	8.49%	-8.54%	22.61%	-2.21%	23.75%	-10.59%	**120.75%**

Performance quoted net of fees based on the most invested share class. Other share classes with higher fees may exist. Full monthly performance available on request.

LANCASTER
INVESTMENT MANAGEMENT

Lancaster European Equity Details

Launch date	October 2012			
	Class A	**Class C**	**Fund Structure**	Cayman Master Feeder: Cayman Ltd, Delaware LP
Redemptions	Monthly	Monthly		
Notice Period	60 days	60 days	**Administrator**	Morgan Stanley Fund Services
Minimum Investment	$5,000,000	$5,000,000	**Auditor**	Ernst & Young
Management Fee	1.00%	0.75%	**Prime Brokers**	Goldman Sachs, Morgan Stanley
Performance Fee	None	10.0%*	**Legal Advisors (UK)**	Schulte Roth & Zabel
Lockup Period	None	None	**Legal Advisors (US)**	Schulte Roth & Zabel
Subscriptions	Monthly	Monthly	**Legal Advisors (Cayman)**	Walkers
Gate	None	None	**Contact Details**	Rory Hayward rory.hayward@lancasterIM.co.uk +44 20 7842 1050

* Subject to index hurdle and payable over multiple years – please see offering documents

Important Legal Information and Disclaimer

This document and the information contained in it relates to Lancaster European Equity Master Limited, Lancaster European Equity Limited and Lancaster European Equity LP (together the "Funds") and is being communicated by Lancaster Investment Management LLP ("LIM"). LIM is authorised and regulated by the Financial Conduct Authority (the "FCA") of the United Kingdom and is registered as an investment adviser with the United States Securities and Exchange Commission. LIM and its affiliates together will be referred to as "Lancaster" in this document.

This material has been prepared by LIM. LIM may provide you with further data or material but makes no representation that such further data or material will be calculated or produced on the same basis, or in the same format, as this material. LIM has used reasonable skill and care in the preparation of this material from sources it believes to be reliable but Lancaster gives no warranties, representations or undertakings, express or implied, as to the accuracy or completeness of this information, and Lancaster accepts no liability for the accuracy or completeness of any such information. This material has been provided specifically for the use of the intended recipient only and must be treated as proprietary and confidential. It may not be passed on, nor reproduced in any form, in whole or in part, under any circumstances without express written consent from LIM.

This material is provided for information purposes only and does not constitute an invitation or offer to subscribe for or purchase any of the products or services mentioned nor is it intended to constitute, or be construed as, investment advice. Any such offer may only be made by means of delivery of the relevant approved prospectus or offering memorandum (the "Prospectus"). The Prospectus must be received and reviewed prior to any investment decision. The material provided is not intended to provide a sufficient basis on which to make an investment decision. Potential investors in the Funds referred to in this material or to which this material relates should seek their own independent financial, legal and taxation advice.

The Funds are only available to persons to whom such products may lawfully be promoted in any jurisdiction. Interests in the Funds have not been and will not be registered under any securities laws of the United States of America or any of its territories or possessions or areas subject to its jurisdiction, and may not be offered for sale or sold to nationals or residents thereof except pursuant to an exemption from the registration requirements of the US Securities Act of 1933, as amended (the "Securities Act"), and any applicable state laws. This material is only provided to United States persons that are "accredited investors" as defined in Regulation D under the Securities Act and "qualified purchasers" as defined in the US Investment Company Act of 1940, as amended (the "Company Act"), and the rules promulgated thereunder. In the United Kingdom, this material is issued only to and/or directed only at Professional Clients and Eligible Counterparties (as defined in the FCA's Handbook of Rules and Guidance (the "FCA Rules")). Any Funds and services described in this material are only available to such persons and the information herein should not be relied or acted on by any other person. Moreover, any investment or service to which this material may relate is not intended for Retail Clients and will not be made available to Retail Clients.

LIM does not provide investment advice to investors or potential investors in any Funds.

An investment in the Funds is speculative and involves a high degree of risk, which each investor must carefully consider. LIM and its affiliates give no representations, warranties or undertakings that any indicative performance or return will be achieved in the future or that the investment objectives and policies from time to time of the Funds will be met. Past results are not indicative of future results. The value of investments and the income therefrom can go down as well as up, and an investor could lose all or a substantial amount of his or her investment. While the Funds are subject to market risks common to other types of investments, including market volatility, the Funds employ certain trading techniques, such as the use of leverage and other speculative investment practices that may increase the risk of investment loss. The Funds' managers will receive performance-based compensation. Investments in the Funds are subject to periodic liquidity, which may be suspended under certain conditions, as well as restrictions on transfer. There is no secondary market for interests in the Funds, and none is expected to develop. Therefore, any person subscribing for an investment must be able to bear the risks involved and must meet the suitability requirements set forth in the relevant Fund's Prospectus. Some or all alternative investment programs may not be suitable for certain investors. Returns generated from an investment in a Fund may not adequately compensate investors for the business and financial risks assumed.

The text and statistical data or any portion thereof contained in this document may not be permanently stored in a computer, published, rewritten for broadcast or publication or redistributed in any medium, except with the express written permission of LIM. Lancaster will not be liable for any inaccuracies, errors or omissions in the material or in the transmission or delivery of all or any part thereof or for any damage arising from any of the foregoing.